

Assembly Bill No. 162

CHAPTER 647

An act to add Chapter 9 (commencing with Section 11840) to Part 1 of Division 3 of Title 2 of the Government Code, and to add Section 1342.8 to the Health and Safety Code, relating to health care.

[Approved by Governor September 20, 1998. Filed
with Secretary of State September 21, 1998.]

LEGISLATIVE COUNSEL'S DIGEST

AB 162, Alby. Medicine: regulation.

Under existing law, the Medical Board of California enforces and administers the Medical Practice Act, the Department of Corporations regulates health care service plans under the Knox-Keene Health Care Service Plan Act of 1975, and the State Department of Health Services regulates and administers various health programs and facilities, including the Medi-Cal Act.

This bill would state the intent of the Legislature to streamline the regulatory process and reduce redundant reviews of the offices of physicians by coordinating, to the extent feasible, as many of those regulatory functions as possible.

This bill would require the Department of Corporations and the State Department of Health Services to coordinate, to the extent feasible, any physician office auditing required by the managed care program under the Medi-Cal Act or any physician office auditing or surveying required by the Knox-Keene Health Care Service Plan Act of 1975.

The people of the State of California do enact as follows:

SECTION 1. Chapter 9 (commencing with Section 11840) is added to Part 1 of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 9. HEALTH CARE AUDITS

11840. The Legislature finds and declares all of the following:

(a) The current regulatory responsibility for medical services is spread among many governmental entities including all of the following:

- (1) The Medical Board of California.
- (2) The Department of Corporations.
- (3) The State Department of Health Services.

(b) This overlapping jurisdiction has resulted in multiple and duplicative audits of many physician offices, additional expense and hiring of additional staff to respond to duplicate requests for medical records, and the review of confidential medical records by a growing number of governmental entities.

(c) In the interest of reducing the number of separate times various public and private agencies review confidential medical records, streamlining the regulatory process, and reducing the redundant reviews of the offices of physicians, it is the intent of the Legislature to coordinate, to the extent feasible, as many of these regulatory functions as possible.

(d) In addition to government audits of physician offices, numerous private entities also conduct reviews of physician offices.

(e) It is in the public interest to achieve ultimately a uniform system of private and public auditing of physician offices and, thus, streamline the process as much as possible.

SEC. 2. Section 1342.8 is added to the Health and Safety Code, to read:

1342.8. The State Department of Health Services and the department shall coordinate, to the extent feasible, audits or surveys of physician offices required by this chapter and by the managed care program under the Medi-Cal Act (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code) and for any physician office auditing required by this chapter.

